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7 Attorneys for the Plaintiffs' Executive Committee appointed by the Superior Court of the State of
8 California, in and for the County of Alameda, in Case No. RG16843631 and related cases.

9 THE UNITED STATES BANKRUPTCY COURT
10 IN AND FOR THE NORTHERN DISTRICT OF CALIFORNIA
11 SAN FRANCISCO DIVISION

12 **In re:**

Case Nos. 19-30088 (DM)

13 **PG&E CORPORATION,**

Chapter 11

14 **-and-**

15 **In re:**

16 **PACIFIC GAS AND ELECTRIC**
17 **COMPANY,**

18 Debtors.

**OBJECTION TO APPLICATION
PURSUANT TO 11 U.S.C. § 327(e) AND
FED. R. BANKR. P. 2014(a) AND 2016 FOR
ORDER AUTHORIZING THE DEBTORS
TO RETAIN COBLENTZ PATCH DUFFY
& BASS LLP AS SPECIAL COUNSEL
NUNC PRO TUNC TO THE PETITION
DATE**

- 19 ☐ Affects PG&E Corporation
20 ☐ Affects Pacific Gas and Electric Company
21 ☒ Affects both Debtors

DATE: July 9, 2019
TIME: 9:30 A.M.
PLACE: Courtroom 17
450 Golden Gate Avenue, 16th Fl.
San Francisco, California
JUDGE: Hon. Dennis Montali

22 ** All papers shall be filed in the lead case, No.*
23 *19-30088(DM)*

RELATED DOCKET NOS: 2595

24 The Plaintiffs' Executive Committee (hereinafter referred to as the "Ghost Ship Warehouse
25 Plaintiffs' Executive Committee"), appointed by the Superior Court of the State of California, in
26 and for the County of Alameda, Case No. RG16843631 and related cases, party in interest in the
27 above-referenced Chapter 11 case, by and through its attorneys of record, does hereby respectfully
28 submits as follows in support of the within Objection to the Application Pursuant to

1 11 U.S.C. § 327(e) and Fed. R. Bankr. P. 2014(a) and 2016 for Order Authorizing the Debtors to
2 Retain Coblenz Patch Duffy & Bass LLP as Special Counsel *Nunc Pro Tunc* to the Petition Date
3 (hereinafter referred to as the “Objection”).

4 The Ghost Ship Warehouse Plaintiffs’ Executive Committee does hereby reserve the right to
5 join in and support any additional opposition(s) filed by creditors and other parties in interest to the
6 Application Pursuant to 11 U.S.C. § 327(e) and Fed. R. Bankr. P. 2014(a) and 2016 for Order
7 Authorizing the Debtors to Retain Coblenz Patch Duffy & Bass LLP as Special Counsel *Nunc Pro*
8 *Tunc* to the Petition Date (hereinafter referred to as the “Coblenz Employment Application”).

9 The Coblenz Employment Application discloses that Coblenz Patch Duffy & Bass LLP
10 (hereinafter referred to as the “Coblenz”) represents the City of Oakland in *Gregory v. Chor Nar*
11 *Siu Ng*, Case No. RG 16843631 (hereinafter referred to as Ghost Ship State Court Litigation”). The
12 Debtors are the co-defendants in the Ghost Ship State Court Litigation.

13 Coblenz also represents Wagner Family Wines-Caymus Vineyards (hereinafter referred to
14 as “Caymus”). Caymus is a member of the Official Committee of Tort Claimants. In addition,
15 numerous other connections have been disclosed with parties having or potentially having interest
16 adverse to the Debtors.

17 Neither the Coblenz Employment Application nor the declarations filed in support of the
18 Coblenz Employment Application, however, provide any evidence that Coblenz has complied
19 with Rule 1.7 of the California Rules of Professional Conduct. Rule 1.7 of the California Rules of
20 Professional Conduct provides as follows:
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- 23 (a) A lawyer shall not, without informed written consent* from each client and
24 compliance with paragraph (d), represent a client if the representation is
25 directly adverse to another client in the same or a separate matter.
 - 26 (b) A lawyer shall not, without informed written consent* from each affected
27 client and compliance with paragraph (d), represent a client if there is a
28 significant risk the lawyer’s representation of the client will be materially
limited by the lawyer’s responsibilities to or relationships with another client,
a former client or a third person,* or by the lawyer’s own interests.
 - (c) Even when a significant risk requiring a lawyer to comply with paragraph (b)
is not present, a lawyer shall not represent a client without written*

disclosure of the relationship to the client and compliance with paragraph (d) where:

- (1) the lawyer has, or knows* that another lawyer in the lawyer's firm* has, a legal, business, financial, professional, or personal relationship with or responsibility to a party or witness in the same matter; or
 - (2) the lawyer knows* or reasonably should know* that another party's lawyer is a spouse, parent, child, or sibling of the lawyer, lives with the lawyer, is a client of the lawyer or another lawyer in the lawyer's firm,* or has an intimate personal relationship with the lawyer.
- (d) Representation is permitted under this rule only if the lawyer complies with paragraphs (a), (b), and (c), and:
- (1) the lawyer reasonably believes* that the lawyer will be able to provide competent and diligent representation to each affected client;
 - (2) the representation is not prohibited by law; and
 - (3) the representation does not involve the assertion of a claim by one client against another client represented by the lawyer in the same litigation or other proceeding before a tribunal.
- (e) For purposes of this rule, "matter" includes any judicial or other proceeding, application, request for a ruling or other determination, contract, transaction, claim, controversy, investigation, charge, accusation, arrest, or other deliberation, decision, or action that is focused on the interests of specific persons,* or a discrete and identifiable class of persons.*

In addition, the actual agreement with the Debtors within the **Exhibit B** to the Master Services Agreement, entitled Attorney Representation Conflict Principles, attached along with the Coblentz Employment Application, specifically provides as follows:

[I]limitation on adverse engagements during PG&E engagement: During any engagement by PG&E, the retained attorney and his or her firm will not represent another client in a matter in which that client's interests are adverse to the interests of PG&E without first making **written disclosure of the proposed engagement** and obtaining written consent from the PG&E entity undertaking the engagement. Any actual or potential conflict(s) pre-existing the engagement with PG&E must be disclosed prior to executing a retainer agreement, or promptly upon discovery. **Where pre-existing conflicts may exist, counsel is expected to obtain waivers from its other clients, including written agreements that such clients will not object to the attorney or firm representing PG&E entities in any pending or future matter.** Emphasis added.

Coblentz Employment Application and the declarations filed in support thereof are completely devoid of any evidence reflecting that Coblentz has complied with the California Rules of Professional Conduct and the Master Services Agreement with the Debtors, giving rise to serious ethical issues.

1 Based upon the failure of Coblenz to provide competent evidence of compliance with the
2 California Rules of Professional Conduct and the specific terms of the Master Services Agreement
3 with the Debtors, the Ghost Ship Warehouse Plaintiffs' Executive Committee respectfully requests
4 that the Coblenz Employment Application, be denied!

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6 Dated: July 2, 2019

Respectfully submitted,
PINO & ASSOCIATES

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9 By: /s/Estela O. Pino
10 Estela O. Pino, Attorneys for the Ghost Ship
Warehouse Plaintiffs' Executive Committee
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